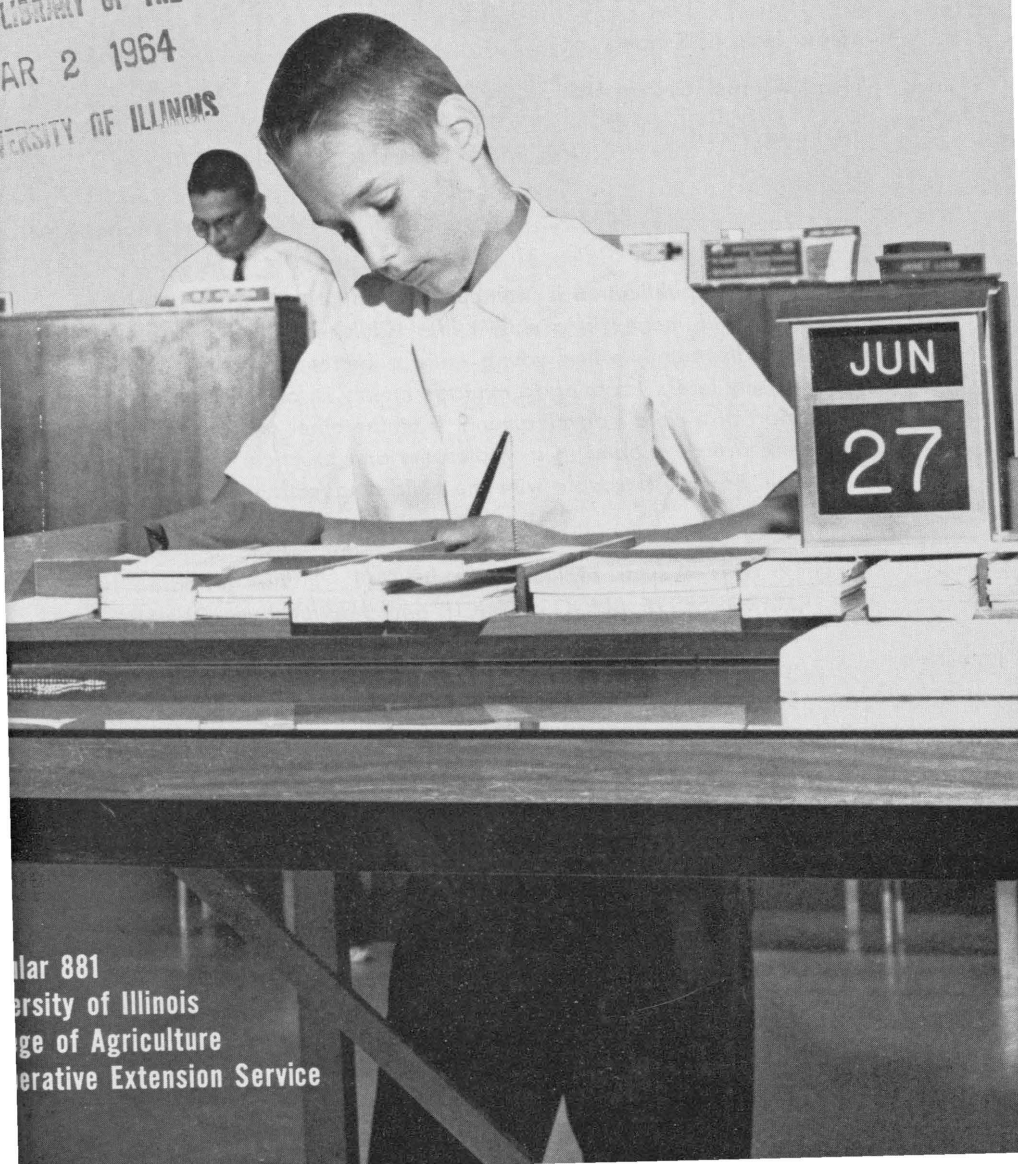


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Your Child and His Money

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This publication is intended to help parents understand the place of money in a child's life. Children who learn how to handle money when young have a better chance of using it wisely later. Learning to manage money is, of course, only one part of a child's development. If all the other areas of a child's life are developed in a wholesome and practical way, parents will have less trouble with the child's education about money.

This circular replaces Circular 741. It was prepared by MARGUERITTE BRIGGS LYNCH and MARILYN M. DUNSING, Associate Professors of Home Economics. Circular 741 was written by Margueritte Briggs Lynch and the late Catherine M. Sullivan.

YOUR CHILD AND HIS MONEY

You want your child to learn how to use money wisely, to have a good attitude toward money and its uses, and to have experiences in making decisions about money. You want your child to enjoy spending his money, but at the same time you want him to think of the future and save. You'd like him to be generous though not extravagant, sharing with his family, his friends, and those less fortunate.

This is a big order and you may wonder whether you can meet it. You'll not be meeting it alone, since the way your child feels about money and what he does with it will be influenced by his friends, your friends, his school, and by the attitudes of society as a whole. Most people interested in family relationships believe, however, that parents can do more to mold the attitudes of their children than anyone else.

You can help your child develop the right attitude toward money by emphasizing the proper place that it has in our lives. He can learn quite early that money is useful because with it we buy many of the things we want. He can also learn something about saving money, so that he will have a larger amount to use later. If you have shown him a good example, he will become aware that money should not be spent carelessly, but that adults plan ahead in order to buy things the family needs and wants. You can avoid creating the wrong impression about money by not using such phrases as "money talks," and "the almighty dollar."

You can also help by meeting your child's needs for love. Emotionally deprived children sometimes turn to money as a substitute for affection. Insecurity and anxiety may lead children to overvalue possessions, especially money. They may even turn to stealing, as those who work in child guidance clinics have seen.

Try to see that your own attitude toward money is a good one. Sometimes this is even difficult for adults to do. We think that the quality and quantity of our purchases are determined by how much money we have and believe our social position in the community to be determined by our income. However, there are many fine things in the world that we can have and which require no spending of money. If we keep in mind what we can do with our money rather than what we can't do, our own attitude is pointed in the right direction.

Today's children are given more money and they are given it at an earlier age than in the past. When most of today's adults were children the family income was spent to meet the needs of the entire family. Today the major part of the family income is still spent by parents to meet family needs, but since family income is higher than a generation ago, parents are able to give children more money for their own use. This means that parents have more responsibility than in the past to help their children develop desirable attitudes toward money. Their job is more complicated because pressures from advertising and from the more liberal use of credit tempt their children to spend and to buy things that they want and things that other children are buying. Also, the ever-expanding number of things to buy makes it more necessary than ever for parents to give their children guidance on what and how to buy. Years of practice does not always make for the wise use of money, but it usually helps.

When should you start teaching your child about money? Of course he has been learning about it since the first time he knew there was such a thing. You begin a real explanation as soon as your youngster can understand the transaction involved in buying a lollipop. Whatever their age, you can help your children through advice and example; you can let them see money used; and you can let them use money. It is naturally a good idea to start letting your children use money at an early age because they can be given small amounts of money which will limit mistakes to small ones.

Regardless of the training you give or the plan you follow, you will find that no two children use their money in exactly the same way. Your chief purpose in teaching your child money management is to guide him to handle it wisely and to weigh values so that he can make intelligent choices. These choices will be as different as the unique personalities involved.

Stretching the Family's Income

Your child soon discovers that we get money by exchanging our work efforts for it and then we exchange the money for certain material things we need. He also learns early in life that there is only



Children learn about the uses of money when they have a chance to study the family's budget and share in the discussion of money plans.

a certain amount of money available and that much of this has to be used for such things as food, clothing, taxes, and insurance. It is wise to explain to children that these expenses come first and that much of the family income is spent for the benefit of all members of the family.

Although a child learns that you can't stretch a dollar bill by pulling on it, you can explain that we are really stretching our money when we do some things ourselves and when we make the things we have last longer. When we wash our car instead of paying to have it done, make our own clothes, grow vegetables in our garden, mow our yard, and do tasks for and with our family, we are saving money to use in other ways. When a child takes care of his toys and clothes and other things around the house so that they last longer, he is saving money for other uses.

If we explain these things to him, we can help a child understand that when he pitches in and helps, he is making a contribution to the family and is helping the family to obtain more material things with its income.

Where the Money Comes From

A child's money usually comes from a number of sources. Probably his earliest experience with money was with sums which you gave to him from time to time when you thought he should have it for one purpose or another, or when he asked for it. This way of getting money is sometimes called a dole.

Your child receives only a limited kind of experience from the dole. He goes through the motions of spending money but he does not make the decisions as to how and for what the money shall be spent. These decisions were really made by you when you gave him the money.

If handled properly, other sources of money such as allowances, earnings from parents or from outsiders, or gifts of money will provide your child with much more valuable experience in learning to use money.

Give your child an allowance

Let your child consider an allowance his share of what the family has to spend. By giving him a fixed amount of money at regular times, small though it is, he'll learn gradually how to use money. Start his allowance when he is six or seven or as soon as he begins to take an intelligent interest in money. At first, since he is learning, the allowance should be small, but from the very beginning it should be given regularly, once or twice a week. Be sure he understands what it is to cover and how often he will receive it.

Should your child be required to earn his allowance by performing certain household or farm tasks? The prevailing opinion is that the child's position as a member of the family carries with it the right to a share of the family income for his personal needs. On the other hand, his position also carries with it the responsibility of sharing routine household tasks with other family members. The two should be kept separate. There should be no strings attached to the allowance.

If you think you can't afford an allowance for your child, keep a record of what you give him during the week for school expenses, for minor clothing needs, and for entertainment. Given in the form of an allowance, this amount will be no greater, and he will have the experience of managing money and of making more decisions.

Don't use your child's allowance as a spur or a club. You are giving him an allowance because he is a family member with all the rights of a family member, including a share of the family income.

You should not withhold his allowance when he shirks tasks assigned to him any more than you would withdraw other rights for the same reasons. Withholding his allowance frequently as a punishment may develop in a child an attitude that money is a powerful ammunition that adults use at their convenience.

When you stop your child's allowance as a disciplinary measure or increase it as a reward, you are losing sight of your real purpose to teach him to use money, and to gain experiences in decision making.

Let him earn a little

Money which your child earns often gives him a greater sense of freedom and recognition than that which is given to him. Earning money is good as long as the work is not too strenuous and there is still time for your child to study, to play, and to take part in family activities, family tasks, and school life.

Valuable experiences are gained by your child when he earns money by performing certain household tasks for you, or when he earns money by working outside the home for others. By earning money your child has the opportunity of learning its value in terms of time and effort. If your child successfully meets the job requirements of his employer, particularly when this person is not a parent, he also has a valuable trait to take into adult life.

Should your child be paid for work at home? If your answer is "no," since you feel that such work is his responsibility as a member of the family, make a special effort to see that he gets an occasional chance to earn a little outside the home. If your answer is an unqualified "yes," you may find your child becoming very businesslike, bargaining for the easiest jobs and refusing to work when the price is not attractive. Then your only recourse is to be equally businesslike and pay only for work that is well done.

Many parents have solved this problem by paying only for special jobs, those they would otherwise hire done, such as cleaning the garage or clipping the hedge. This is the recommended practice, and if it is yours, decide with your child which tasks are his responsibility and which he can consider a source of extra income.

Using Money

Parents can help their children develop good attitudes toward money and can give their children indirect experiences in money matters by letting them take part in family discussions about using the family income. For example, if you explain to your child that the bill for the clutch repair on the family car costs as much as a new bicycle, he will have a more realistic understanding of what the family income will buy. Otherwise it may seem like an inexhaustible sum to him.

Parents can also help children plan how to spend the money they have, and teach them that the money goes farther with planned spending. Parents can explain to them that spending money without getting something worthwhile in return is wasting it. Of course your child will make mistakes, but if you praise him when he has used his money



Buying some of the family's groceries gives this boy a grown-up feeling and helps to develop his skill in using money.

well, and help him to learn from his mistakes, his ability to manage money will improve as he matures.

Let him spend

There are many opportunities to give children experiences in using money. You may let your child buy small orders at the grocery store, pay the paper boy, pay for the gas for the car, or take care of many other small bills.

Beside these, however, your child needs additional types of experiences if he is to develop his own philosophy and pattern of spending.

Give him money of his own to spend for necessities as well as some for toys, shows, extra clothes, or tools. Don't be surprised if he sometimes disagrees with you as to what are necessities. You may believe in buying a really good blouse, but your daughter may prefer one with less quality so that she can afford a scarf to go with it. She may be right, but if she is wrong, let her find out herself. Choice-making is not learned in one effort and of course no two people ever have the same money needs. Set some limits at first so that the money involved will not be enough to cause an unhappy situation when the child makes a mistake in judgment.

We need to avoid emphasizing mistakes so much that we discourage children from making decisions. A child's mistakes, properly used by parents, are learning situations. One child was so severely criticized about his financial mistakes that he told his parents he would rather not have an allowance. By this move his money problems were solved in one way or another by his parents.

Let him use gift money

On birthdays and at Christmas, from visiting relatives, and family friends, your child may often receive money as gifts. He needs to understand that he should not count on gift money or expect it. You don't want your child to feel that Grandmother or anyone else is obligated to give regularly to him.

Too, you must remember that it is his money, and you should not arbitrarily dispose of it for him, even for such worthy purposes as a college education account or some expensive dental work, unless it was given to him for that purpose.

On the other hand, don't think of it as a windfall for your youngster to waste. Instead, consult with him about what to do with the



By helping to do a job like this around the home, children find that sharing work can be fun. At the same time, they are helping the family save money for other things.

money. You can help him if you understand how he feels about the gift and if you know what his present needs and wants are. One young mother remembering her own childhood said regretfully, "Mother and Dad always banked my gift money. At times I needed clothes very badly, and a coat or a dress would have meant so much more than a growing savings account."

Perhaps your child will want to save part of his gift money and use part for clothing, books, or hobby equipment. If he has money boxes for various projects, he may enjoy portioning it out. Or he may find the greatest satisfaction in using the whole sum for a trip to the state fair, to the home of a favorite relative, or to 4-H camp. He must be satisfied with the use made of his gift money, or the gift will lose its meaning for him.

Teach him to save

Let your child be a part of the family discussion when the subject is saving. But don't expect him to always appreciate the value of saving for some vague or far-distant goal. He can understand saving for something near and definite, such as a new car or a television set, but saving for family security may still be meaningless to him.

Don't emphasize saving to the point that your child saves when he might better spend. Let him know that there are expenditures he should make and that he has obligations to himself and to others. You do not want your child to be like the girl who always forgot her purse when the family went to the fair or the boy who drank colas as long as his chum paid for them and then switched to water.

On the other hand, remember that your example either encourages or discourages your children to save. If you regard saving as something you will do in the vague future, your child will regard it with an equal lack of interest. Find the middle road in saving.

Encourage him to share

If your child is to grow into a generous, considerate, and confident person, he needs to know that money can provide satisfactions beyond those of earning, spending, and saving. With your help he can learn to share and to enjoy sharing with his family, with his friends, and even with people he does not know and may never see.

How can your child share his money? Within the family he can buy treats that can be shared, he can contribute to family projects, and he can buy gifts for birthdays and special occasions. Taking his friends to the movies, buying his share of soft drinks and candy, and buying gifts for birthday parties help your child become a more social person. Your church and school also give opportunities for helping him to share with those outside his own family and friends.

In sharing as in spending, your child will need to make choices. He will have to decide when to share his money and how much to share. You can help by letting him see how you share your money. Let him see also how you share your time, energy, and skills so he will appreciate the fact that while sharing money is often the easiest solution, it may not be the best or the only one. When he shovels snow for elderly Mr. Smith, for example, he is sharing his time and energy.

Praising him when he does something generous will encourage him to continue in this direction.

When Your Child Is Small

Long before receiving an allowance your child needs many and varied experiences with money. When you drive the car to town, he'll enjoy picking out the pennies from your purse and putting them into the parking meter. He'll feel important going to the door with change for the paper boy. And carrying a few pennies to jingle in his pocket will give him a grown-up feeling before he is interested in actual buying.

Allowances

At three or four your child usually won't be much interested in allowances. He may be interested, however, if his brothers and sisters are receiving them. Then you can work out a system of small payments for him two or three times a week. Just as starting to school is something a child knows will happen when he reaches a certain age, so an allowance which he must manage himself can be something for him to anticipate. Because of his experience with other children, one child may be quite ready to manage an allowance when he starts to school, while another may not be ready and will need more of your help and understanding.

Earning

The small child who helped his mother with the dishes and then asked for a penny may have been a psychologist in the making or a very good businessman. At least he gave his mother a starting point for giving him money of his own. When this sort of thing happens, you can avoid establishing the pattern of paying for work at home by saying to your child that he is old enough to have some of the family income for his own. You can develop the idea that having money is part of growing up, and that helping with the daily chores is another part of growing up.

Spending

As he spends small sums, your child will gradually learn the value of a nickel or a dime in relation to other money. Don't expect him to attach the importance to a penny or nickel that you did at his age. But neither do you want him to value money as did some of the 3,620 six-to-eleven-year-olds in a study reported by the University of



This young lady has her own pocketbook and her own money. But she is only beginning to learn how to handle money by herself.

Pennsylvania. A fifth of the children believed that a penny was hardly worth bothering with, and 2 percent thought a nickel was valueless.

When your small child spends, he needs some freedom of choice. Gradually he will progress from deciding whether to have an ice cream cone or a box of animal crackers for his dime to a more difficult decision such as choosing between making several purchases with a quarter or spending it all at once. When he has decided, give him a chance to spend his money personally. However, be sure that once he has spent his money he does not cajole you into giving him more if he is not satisfied with his choice. His mistake should be a learning experience for him.

Saving

Children can start saving at an early age. A toy bank that rings a bell when your child has saved five nickels or a crystal pig that he can watch grow full will make saving fun. Don't urge him to save any large amount for some purchase in the distant future because he will lose interest before he sees results.

Sharing

When he has a dime to use as he wishes, occasionally suggest the possibility of spending it for something he can share with you, his brothers or sisters, or the youngster next door. Always accept with pleasure the things he wants to share with you.

A child that is the youngest of several children may need a little help to keep him from feeling he should have special consideration or that he is being imposed upon. Again if yours is an only child, he may by turns be too eager to spend and too afraid to share. Children need many experiences with money before they can work out a good balance of spending, sharing, and saving.

Losing money

Children, like adults, occasionally lose or misplace money, just as they lose sweaters, gloves, and other things. If the lost money was money for lunch or some other essential, you may have to replace it. But if it was for personal spending, the child should wait until more is accumulated, just as you would have to wait if you had lost yours.

Even though it is hard to turn down the pleas of an unhappy child, standing firm and not reimbursing him will help him to learn that his money is gone and there won't be any more until payday. You can sympathize with him, but explain that if you lost your money, the family would have to do without many things.

If your child loses money often, it indicates a carelessness that you will need to help him overcome. You can encourage him to carry only a part of his money, just as much as he is going to use. Together you can find a regular place for him to keep his money and a better way to carry it.

It is not wise to take away the child's allowance entirely just because he has trouble hanging on to his purse. He can't learn to take care of money if he isn't given an opportunity.

Now He's in School

Allowances

When your child starts to school, you will have a better idea than he of what his allowance should cover, but leave the way open for adjustment. If your youngster is always in need of money, it could be that the original amount wasn't enough or it could be that he is not spending according to plan. Checking where the money is going may help you and your child find the difficulty. You may wish to have him keep a day-by-day record of his spending.

Since money needs do not always remain the same, neither should your child's allowance. As his interests and activities expand, he will need more money. Some families regularly look at their financial situation in relation to their present activities in order to make changes. When that happens, your child's financial needs should be considered too.

Keep in mind that your child's financial problems are just as real to him as yours are to you. With this understanding you are equipped to help him make wiser choices in using his money.

You may find, as many parents do, that 25 to 50 cents a week is a satisfactory amount of spending money for six- to nine-year-olds. On special occasions, school entertainments for instance, you can supplement the sum. If there is any fixed need, such as buying lunch at school, you will have to allow more. As he grows older, you may want to increase your child's share of the family money to 75 cents or even to one or two dollars a week. The amount of the allowance should be based on the things it is to cover and on the youngster's ability to manage money.

Is it wise to pay for good grades?

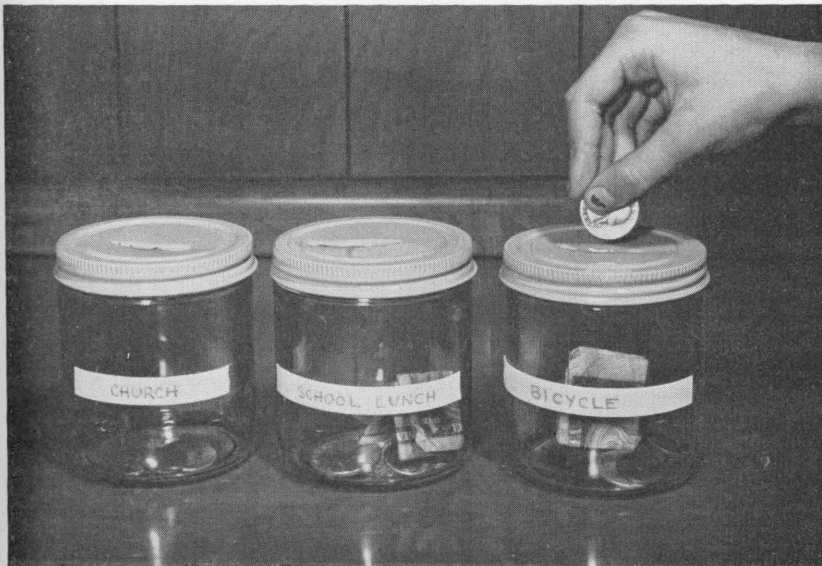
When your child is ready for school, you may feel that now you can give him an opportunity to earn — you can pay him for making good grades. This is usually a mistake because doing as well in school as the child is normally capable of doing is one of his responsibilities. It is not a task that should carry a money reward.

Paying for good grades makes them an end in themselves when what you actually want is a well-educated child who has broad interests and not just an impressive report card. When children are paid for bringing home good grades, they frequently resort to bartering and in some cases to unfair means of getting their rewards.

Earning

What are your grade-school youngster's opportunities for earning? They will differ with the family situation, his age, his health and abilities, and the community. If you live on a farm, he has a unique opportunity — he can share in the farm enterprise. He may progress from the simplest of jobs in the farm enterprise to a junior partnership. Such projects have the advantage of demanding increasing responsibility and providing increasing returns. If your child is part of the farm business, he will learn something of the problems that arise when economic conditions change.

In town your son may earn his money from a paper route, from doing errands, and from Saturday and after-school jobs. Your daughter



Susie finds out that when she divides her money in this way it is a lot easier to keep things straight.

may find earning more difficult, but boys have no monopoly on paper routes, just as girls have none on baby-sitting.

One eleven-year-old boy found he could make very handsome lap boards with a little help from his father in their basement workshop. At two dollars a board he did a brisk business around Christmas. Another lad, bored with shoveling walks for extra money, peddled neatly packaged cinders during the winter season. These were in great demand among car drivers.

Spending

Your child is already used to making choices as he spends. Now that he is in grade school, help him find a system for dividing his money according to his needs. For instance, he may use a set of labeled containers — jars, boxes, whatever appeals to him — in which money for school, movies, and church can be placed. If he has a special project, there can be a container for that.

One parent planned with his nine-year-old as follows: weekly, \$1.50 to be spent for school lunch, 35 cents for school supplies, personal needs, and treating his friends, 25 cents for Sunday School, 25 cents for saving, and every other week \$1.50 for a haircut. This youngster is well aware of his financial situation and weighs buying and saving, often to the amusement of his parents. Frequently he lets his hair grow to save for something he considers more important than a haircut. Show attendance dropped off when he was told that the admission fee was to come from his 35 cent personal allowance.

When his allowance has been increased to include major purchases, let your child make his own choices as often as possible. True, you may spend all your Saturday afternoon shopping with John to spend his birthday five dollars, and you can buy a blouse for Sue in half the time it takes when she goes with you. But look ahead. John and Sue will have their own paychecks some day. They are likely to spend them more wisely if they have had practice in making choices.

Your children will soon discover there are other ways of buying than with cash. Even if yours is a pay-as-you-go family, your children may want to explore the world of credit. When your son submits for your approval a credit plan for buying a new bike to use on his paper route, or a calf for a 4-H project, your responsibility is to keep his plan



Going to a bank gives a child some experience in practical living and a feeling of importance.

reasonable and practical. Be sure he understands just how and when the money must be returned and some of the sacrifices he will have to make.

Saving

Your child's first interest in saving may come when he wants a cowboy hat like the other fellows are wearing. You can help him plan how much he must save from his allowance and how long he will need to save. If you are willing to contribute, tell him so at the beginning rather than come to his rescue at the last moment.

There will be times when his allowance is all spent and an attractive invitation to go camping or to attend some school event may make your grade-school youngster wish for an emergency fund. Suggest that he start a savings account from his next week's allowance and go with him to the bank to establish it. You will find the personnel at your bank interested in your child's account and willing to help him learn good banking practices.

Sharing

Remember your child's birthdays and encourage him to remember those of his family and friends. Let him buy gifts for Mother's Day and Father's Day and Christmas. When it's his turn, let him treat the gang.

Contributions to Sunday School, church, 4-H Club and Scout projects, and Care packages take him beyond the circle of those he knows into a broader concern for the welfare of others.

He's Almost Grown Up

Today's teen-age group is sizable. There are approximately twenty million teen-agers in this country. They have something like ten billion dollars at their disposal, an awesome amount of purchasing power. They are important customers for a wide variety of products from cosmetics to hot-rod cars.

The amount of money individual teen-agers have at their disposal varies, of course, depending on age, sex, family affluence, and earnings. But there are some general trends. For example, older teen-agers have more money than younger ones; both allowances and earnings increase with age. Boys at any age have more money than girls, and earnings are a more important source of income for them than for girls.

Your teen-ager and the group

At no age is the compulsion to conform to the group as great as during the teens, and no other group seems to have defined as well its identity, customs, preferences, and behavior patterns. Because these customs and preferences are much discussed and well known, the pressure to conform comes from outside as well as within the teen-age group. The teen-age group is considered an important "target" by advertisers. Individuals vary in their reaction to group pressure, but all are affected by it. Perhaps one of our big responsibilities is to encourage the teen-ager to develop his own pattern of money management based upon good judgment. He will not then be so readily influenced by his group.

You can expect that your teen-ager will want to spend his money in much the same way as other members of his group. You will want to encourage him to evaluate the group needs for similar clothes, cars, and entertainment, and to occasionally resist them. This is part of the growing up he must do. Remember that the teens are years of great change. They are years that will see a child turned into a young adult attending college, holding a job, or, in the case of many girls, settling down to marriage.

How can parents counteract group influences that they feel are bad? One of the most effective ways is to have set a good example all along by taking the family's needs, wants, and income into consideration when making decisions about money, and by allowing your teen-ager to participate in this planning. Family experiences in money management are invaluable. They will provide a frame of reference when your teen-ager faces decisions on spending his own money.

Another way is to get a group of parents, either an organized or an informal group, to consider together the problems facing their young people. When enough parents unite on a definite program, a desirable influence is created. Still another way of creating a desirable influence is to get a group of young people, their parents, and perhaps their teachers to come together and talk over the issues. After all sides of the problem, including that of the teen-agers, have been presented, a solution can often be found that will be agreeable to all concerned.

Allowances

Besides participating in family purchasing, teen-agers should be given an allowance if the family's financial situation permits. An allowance is recommended because it is the only source of spending money that through the years provides a continuing experience in using money.

If your child has not had the experience of living within an income that covers his needs, then the teen years should provide that experience. During these years the "dole" system is not recommended. The young people who prefer the dole because they "get more that way," will not feel the need to plan or to set any limits to their spending, and what is more serious, they will be deprived of the opportunity of obtaining experiences in planning and choice making.

If the teen-ager has been receiving an allowance through the years, some parents increase the allowance and the responsibility of their high school children by letting them buy more of their own clothes than formerly, pay their insurance, maintain a savings account, and take care of their dental expenses. It is recommended that over the years the allowance should cover an increasing number of personal needs, and that sometime during the high school period it should become comprehensive if your financial situation permits. This practice enables the teen-ager to gradually assume increasing responsibility in spending money for his personal needs.

On the other hand, some families do not provide an allowance, but do expect their teen-agers to share their earnings to help meet family obligations. Whatever your plan, your child should be consulted and his feelings and interests considered. The decision made should be agreeable both to the teen-ager and his parents.

When your family consists of several teen-agers, some earning outside the family and others contributing to the work within the home, you will have to plan with these young people and work out a system that is fair and agreeable to all of them. Your children are more likely to assume their share of responsibility when they understand the family's financial situation.

Looking to the future

We must face the fact that many teen-agers will venture into matrimony. The Population Reference Bureau estimates that in 1961 nearly two-fifths of our nation's brides and one-eighth of the grooms were teen-agers. Some authorities feel teen-age marriages will increase. Since eventually 95 percent of our young people do marry, they must learn something about the cost of maintaining a home and family. Family living expenses should be a part of your teen-agers' money management education. For example, if you have a food budget your teen-agers can gain experience in planning and doing the weekly food buying. Since most teen-agers are constantly using the car they could assume the responsibility for servicing it, taking care of insurance and other expenses, and keeping an accurate record of all car expenses.



Jobs give teen-agers an opportunity to grow toward adulthood by teaching them the importance of work and the value of money.

Reconciling the bank statement can give a picture of the usual as well as the seasonal expenditures. If your family has records of how the family income has been spent, you have some facts for the son or daughter who is thinking about marriage, college, and jobs.

Earning

Young people are under so much pressure to spend that most of them are eager to earn.

Try to help your teen-ager recognize that there are certain priorities for his time and energy during these years. The high school boy who works long hours to support a car may have little time or energy left for study, for participation in school activities, or for other social experiences. Certainly the teen-ager should have an opportunity to learn from working experience. He should arrive at adulthood with an appreciation for work and with the experience of meeting work situations responsibly. Yet some limits must be set on the amount of

work he can do if he is to make the most of the other learning experiences available to him. Encourage him to set those limits himself, as he talks over his problems with you, his adviser at school, or others in whom you both have confidence.

Working for an employer outside the family gives a young person confidence in dealing with other people and some knowledge of what is expected on both sides of the employer-employee situation. If your children are working with you in the farm enterprise, you can still be businesslike. Don't impose on them and don't let them shirk their tasks. Make definite contracts; don't just give what you feel like sharing after the corn is sold or the hogs have gone to market. Young people are likely to prefer the most menial of jobs with steady pay to such uncertain prospects.

If your child works away from home during the summer, you might suggest that he vary his jobs. Through vacation work he may find the career that appeals to him. Hospitals, theaters, playgrounds, resorts, and factories offer summer opportunities.

Some teen-agers have developed successful businesses from their hobbies; others are cashing in on skills and abilities. Don't take their ideas lightly. If your daughter thinks she can turn her ability to wrap gift packages beautifully into a source of income, encourage her to be businesslike in studying her market, in setting her prices, and in advertising her services. Be her consultant in considering the advantages and disadvantages of her venture. If she needs capital, advance money on strictly business terms or help her get a loan at the bank.

In determining how much your child should work, think of how he is earning his money, how he is using it, and how his work fits into his program of activities. Important as his contribution may be toward balancing the family budget, even more important is developing in him an attitude of giving his best to his work and finishing the job he has begun.

Spending

Teen-agers should decide to a large extent how their money is to be spent. Parents may offer advice, but the older the teen-ager gets the more he should be allowed to control his own purse strings, and the more he should be responsible for his spending.

Studies of American teen-agers reveal that expenditures in the early teens tend to be for frequently purchased, less expensive things for personal use. In the late teens, purchases include major items. It is well known too that teen-agers concentrate their spending on certain products. Their purchases of such diverse things as ice cream, carbonated beverages, lipstick, popular records, deodorants, home permanents, and electric razors, account for a considerable part of the total sales of these items.

Not only do teens use their income to buy articles, but they also use credit for this purpose. Today practically everything we want to buy can be paid for later, now that the use of credit is an accepted practice for most families. Since credit plans for teen-agers are also available in many places, some understanding of the cost of credit and its wise use should be a part of the money knowledge of teen-agers. With your counsel and through experience, he can learn when it is best to delay buying until he has the money and when it is wise to buy on a credit plan.

Saving

While planning for future purchases is important for all teen-agers, it is particularly important for teen-agers living on farms since they will be confronted with variable yearly incomes if they choose farming as a career.

For successful saving your teen-ager needs a purpose, a plan, and resources. Reasons for saving are not hard to find. Most high-school students look forward to vacation trips, summer camp, or college. They like clothes, and many have hobbies for which they need equipment. Encourage them to choose definite goals and you'll be discouraging wasteful spending and the policy of keeping just enough ahead for the next date.

Since systematic saving is the most effective way to save, talk over plans with your teen-ager. Shall he save by the week or by the month? Where can he best keep his money — in government bonds, in the savings and loan company, or in the bank? If your child is normal and healthy, he is fairly certain to have something to save either from his allowance or from his earning, and it's up to you to help him decide what he wants to save for and to work out a plan to realize this goal.

Sharing

For your high school student, sharing becomes more complex, and in many ways much like your own. He still has responsibility for individual sharing, such as giving to his church and other more personal means of sharing. These might include helping to manage the funds for the youth center or the extracurricular-activity fund.

Even in these organized programs, there will be instances of spontaneous sharing by the group. Such was the case of a senior class who decided to give the funds for their class trip to their adviser when her home burned. The important idea in such sharing is that it be done within the budget of the student. There are many times when the whole family can take part in sharing, but for the senior class mentioned above, the project would have lost its point if the parents had been solicited to help out.

Because your teen-ager is sometimes an adult and sometimes a child in his behavior, it is part of your job to point out to him opportunities for sharing so he will know he has your approval when he does share with others.

A Final Word

The experiences of children in getting and using money will depend largely on the financial situation of their parents. This circular, however, has suggested ways in which all children may be provided with favorable opportunities for using money. It is the prevailing opinion that children should receive an allowance which covers an increasing number of personal needs and eventually becomes comprehensive. When a child is very young he receives a dole which at first is granted for personal needs not covered by the allowance but which after the allowance becomes comprehensive is granted only for justifiable emergencies. As a child grows he should supplement his allowance with earnings from appropriate types of work.

Your child's first nickel . . .

His first allowance . . .

The first money he earns . . .

Each offers to him and to you a new opportunity. Each gives you a chance to guide him in the wise handling of money, so that the judgment with which he manages his money will grow with the amount he has to manage.

Teach him to **spend** without being wasteful, to **save** without being stingy, and to **share** what he has with others. Teach him to value money for what it can do, not as a thing in itself.

If you train your child in sound financial habits, he will be better equipped to solve many of the difficult problems of his adult life.